

Service Date: March 27, 1997

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER OF MONTANA POWER)	UTILITY DIVISION
COMPANY, Application to Initiate Propane)	DOCKET NO. D95.7.97
Vapor Service in Townsend, Montana)	ORDER NO. 5867d

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FINAL ORDER

BACKGROUND

1. On July 24, 1995, The Montana Power Company (MPC or Company) filed an Application before the Public Service Commission (PSC or Commission) for approval of initial rates for propane vapor service to customers in Townsend, Montana. The Commission issued an interim order on October 5, 1995, approving MPC's proposal contingent upon the outcome of the public hearing scheduled for January 17, 1996, in Townsend. The Company began offering service on October 13, 1995. Following the hearing, the Commission issued a Second Interim Order No. 5867c approving rates contingent upon fulfilling the requirements of the order. Order No. 5867c required the Company to file, on or after December 13, 1996, cost information to be examined by the Commission and request final approval of the rates.

2. On February 26, 1997, MPC filed a request for final approval of the initial rates and the compliance filing requested in Order No.5867c.

FINDINGS OF FACTS AND DISCUSSION

3. MPC proposes a base rate of \$7.945 per Dkt (dekatherm) for all customers, a minimum monthly customer charge of \$4.30 for half inch pipe service size, and a minimum monthly customer charge of \$10.20 for one inch pipe service size.

4. MPC is requesting the flexibility to adjust the base commodity rate plus or minus 10%, on a monthly basis, to adjust to market conditions and meet competitive pressures.

5. MPC proposes, if a customer terminates service and subsequently requests a service reconnect at the same address within 24 months, that it maintain the right to charge the customer the monthly fixed charges not paid during the time of termination.

6. The PSC finds that MPC's proposed rates for propane vapor service have a reasonable basis. The Commission determines that this filing should be approved.

7. Further, the Commission approves the Application for the flexibility adjustment of $\pm 10\%$ from the rates, to adjust to market conditions and meet competitive pressures. MPC shall file, with the Commission, justification for adjustments to the rates.

CONCLUSIONS OF LAW

1. The Public Service Commission is responsible for the supervision, regulation, and control of public utilities pursuant to the provisions of Title 69, Section 69-3-102, MCA.

2. The Montana Power Company is a public utility subject to the PSC's jurisdiction. § 69-3-101, MCA.

3. The propane vapor service offered to Townsend, Montana is subject to the regulatory authorization of the PSC.

4. The Montana Power Company is required to file with the PSC tariffs showing all rates, tolls, and charges and all rules affecting rates to be charged. Section 69-3-301, MCA.

ORDER

1. The Montana Power Company shall file tariffs pursuant to the directives in this Order and shall supplement, as requested above, the tariff filings when a charge varies from the filed rates within the range of flexibility provided. Montana Power Company is granted authority to charge for propane vapor service in Townsend, Montana.

DONE IN OPEN SESSION at Helena, Montana this 24th day of March, 1997 by a 5 to 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

DAVE FISHER, Chairman

NANCY McCAFFREE, Vice Chair

BOB ANDERSON, Commissioner

DANNY OBERG, Commissioner

BOB ROWE, Commissioner

ATTEST:

Ann Purcell
Acting Commission Secretary

(SEAL)

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.